

ORIGINAL



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Betty Camargo

W-01303A-05-0405

Subject: FW: PV Water

W-01303A-05-0910

OL

From: Dave Gonzales [mailto:dave@somoaz.com]

Sent: Thursday, May 15, 2008 3:02 PM

To: Mike Gleason

Subject: PV Water

Dear Mike:

I live at 6131 e Naumann drive in PV.

I am writing in support of the proposed change to the American Water rate schedule. Not even dealing with their service, I think extending the payments more appropriately matches the use of the improvements with the users. I guess this is a parrellell concept to accounting where you try to match the expense with the time period of use.

I ask that you support the change to create a more fair solution.

Thanks

Dave Gonzales

Arizona Corporation Commission
DOCKETED

MAY 15 2008

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AZ CORP COMMISSION
DOCKET CONTROL

5/15/2008

Betty Camargo

Subject: FW: AZ-American Water Rate Case Hearing

From: Pamela Barbey [mailto:barbey2@cox.net]
Sent: Thursday, May 15, 2008 8:03 AM
To: Mike Gleason; Kristin Mayes; Bill Mundell; Gary Pierce; Jeff Hatch-Miller
Subject: AZ-American Water Rate Case Hearing

Dear Mr. Chairman and Commissioners,

I am writing to you regarding the Arizona-American Water Company rate case you will be reviewing today.

I have known and worked with many of you during the years that I served as State Director for U.S. Senator Kyl. Therefore, I regret that I am unable to attend the meeting today to personally express my concern over the current rate plan.

It is my hope that the Board will **support the proposed plan** which will change the current plan to a plan that is broader in participation and equitable with regard to all Paradise Valley residents and resorts.

The proposed plan will:

- spread the payments for the fire flow project over a longer period of time and will include more residents and resorts;
- provide a longer period of time to include more residents sharing the burden as people move in and out of Paradise Valley;
- be a benefit to all customers and should, therefore, be shared by all customers.

As a 20 year resident of Paradise Valley, I ask you to please give careful consideration to my request to **support the proposed plan**.

Thank you for your consideration.

Pamela Barbey

Betty Camargo

Subject: FW: REVISING PARADISE VALLEY WATER RATES, MAY 15, 10...

From: Agrcdr@aol.com [mailto:Agrcdr@aol.com]

Sent: Wednesday, May 14, 2008 6:20 PM

To: Mike Gleason; Kristin Mayes; bmundell@azcc.gov; Gary Pierce; Jeff Hatch-Miller

Subject: REVISING PARADISE VALLEY WATER RATES, MAY 15, 10...

Water rates have increased greatly recently, but water safety and confidence have deteriorated.

Please vote in favor of the rate reduction as proposed. Water companies are public utilities and as such should be cognizant of and sympathetic to the public good.

The cost of the fire flow project should be amortized over its useful life as agreed by the Town of Paradise Valley and simply as a straight-forward business matter. It is in the public interest to do so.

Thank you.
Carol Rudoff

My wife and I are customers of Arizona American Water Company and have suffered a great increase in our water rates and problems with delivery of safe drinking water by that company.

We urge you to vote in favor of the rate reduction as proposed. It would be unconscionable to allow this company to continue to charge these greatly increased water rates due to an arbitrarily short life for the fire flow project. The cost of the fire flow project should be amortized over its useful life as agreed by the Town of Paradise Valley.

Thank you for your consideration of this matter in light of what is best for your citizens.

Arnold Rudoff

Wondering what's for Dinner Tonight? [Get new twists on family favorites at AOL Food.](#)

5/15/2008

Betty Camargo

Subject: FW: Docket Number W-01303A-05-0405

From: Kathay Ladrigan [mailto:kal@knightandassociates.net]

Sent: Wednesday, May 14, 2008 6:05 PM

To: Mike Gleason

Subject: Docket Number W-01303A-05-0405

Dear Mr. Gleason:

As Paradise Valley residents we support the proposed plan submitted by the residents of the Town and urge your approval of the plan as submitted. The residents are requesting the amortization for the cost of the fire flow improvement be spread over a reasonable and customary time period. The recovery of a multi-million dollar improvement within a five year time period is unusually short for this type of investment. We are requesting the cost recovery take place over the life of the improvement.

A limited number of residents are currently expected to pay for this improvement. Since the entire Arizona American Water customer base is affected by the improvement we are requesting all customers, both present and future, bear the reimbursement cost to Arizona American Water.

*Kathay and Joseph Ladrigan
Paradise Valley Residents*

5/15/2008

Betty Camargo

Subject: FW: Arizona Corporation Commission Meeting on May 15, 2008

From: Allison Bertrand [mailto:allison_bertrand@hotmail.com]

Sent: Wednesday, May 14, 2008 2:06 PM

To: Mike Gleason; Kristin Mayes; bmundell@azcc.gov; Gary Pierce; Jeff Hatch-Miller

Cc: Bob Bertrand

Subject: Arizona Corporation Commission Meeting on May 15, 2008

We request that you reconsider the Commission's 2006 decision to increase the fees for water usage in Paradise Valley. Arizona American Water Company has reaped enormous, inflated profits for providing a product that was not even potable in, at least, one instance this year. These exorbitant charges are unfair and unwarranted.

We find it appalling that RUCO, an organization that is supposed to represent consumers, would oppose reducing these rates and we urge to support the reduction of the rates enacted in 2006.

Thank you for your attention,

Robert and Allison Bertrand
4333 East Lakeside Lane
Paradise Valley, Arizona

5/15/2008

Betty Camargo

Subject: FW: MEETING TO CONSIDER REVISING PARADISE VALLEY WATER RATES, MAY 15, 10 AM

From: Arnold Rudoff [mailto:arnonly@yahoo.com]

Sent: Wednesday, May 14, 2008 10:11 AM

To: Mike Gleason; Kristin Mayes; bmundell@azcc.gov; Gary Pierce; Jeff Hatch-Miller

Subject: MEETING TO CONSIDER REVISING PARADISE VALLEY WATER RATES, MAY 15, 10 AM

My wife and I are customers of Arizona American Water Company and have suffered a great increase in our water rates and problems with delivery of safe drinking water by that company.

We urge you to vote in favor of the rate reduction as proposed. It would be unconscionable to allow this company to continue to charge these greatly increased water rates due to an arbitrarily short life for the fire flow project. The cost of the fire flow project should be amortized over its useful life as agreed by the Town of Paradise Valley.

Thank you for your consideration of this matter in light of what is best for your citizens.

Arnold Rudoff

5/15/2008

Betty Camargo

Subject: FW: AZ CC Docket W-01303A-05-0405 - AZ American Water Rate Design Hearing

From: Chuck Matthews [mailto:cmatthews@icilink.com]

Sent: Tuesday, May 13, 2008 2:57 PM

To: Mike Gleason

Subject: AZ CC Docket W-01303A-05-0405 - AZ American Water Rate Design Hearing

Via E-mail

May 13, 2008

Chairman Mike Gleason

Arizona Corporation Commission,

120 West Washington, Phoenix, AZ, 85007

Subject: Arizona America Water Rate Design – AZ CC Docket W-01303A-05-0405

Dear Chairman Gleason:

My family and I have lived in the Town of Paradise Valley (the "Town") for the past 14 years in the same house. We are also current customers of Arizona American Water. I appreciate the Commission's willingness to hear this matter and pursue a just and reasonable rate structure.

We believe that the current Arizona American Water Rate Design, although perhaps well intentioned, is unfair, punitive and discriminatory towards families with children such as ours. The design also especially impacts our older lower density neighborhood.

Our neighborhood was built in the late 1950's in an old citrus orchard. My family and I were originally attracted to the neighborhood's unique character and the proximity to schools, shopping and work. Since there are no parks provided by the Town, providing a safe space for recreation and play for our three children and their friends has always been a paramount concern to us. While we constantly strive to be efficient as possible with water, much of our water use goes toward maintaining a grassy area for our children to play. In other areas of the valley, the cities bear the burden of watering grassy areas for children in publicly maintained parks. We however must provide for our own children. Yet we are being penalized with excessive increases in rates and charges while we simply strive to maintain an area for our children to play.

We certainly support conservation efforts, but providing the right environment for our kids is a priority. Like many of my neighbors, we have made costly improvements to increase water efficiency including installing high efficiency appliances, lower flow toilets and shower heads. To increase water efficiency for the kids play area, we installed a timed sprinkler and drip irrigation system (~90% efficient) instead of using the traditional flood irrigation (~60% efficient) from our neighborhood's well. However, we find ourselves at odds with the rate designers.

The current rate design is misdirected in its efforts towards mandating conservation at the expense of family needs. The lot sizes in our neighborhood, while typical in Paradise Valley, are nearly 6 times the average lot size of 7,200 SF elsewhere in metropolitan Phoenix. With this major disparity, direct comparisons to the per-household water use of other valley municipalities are deceptive and not meaningful. Also since we provide play areas for our families' needs which are accounted for in municipal water uses elsewhere, further disparities arise. Notwithstanding these disparities, the current rate design is explicitly structured to enforce target per household water usage rates developed for other

5/15/2008

municipalities, with large surcharge penalties for non-compliance. We are in essence penalized by providing for and raising children in the Town.

The present rate structure also has a detrimental effect to the character of our neighborhood. At least one of my neighbors (no longer with children) has simply removed all of their landscaping and replaced it with a sea of gravel (a la Sun City West) - hardly a desired outcome.

The present rate design needlessly creates an unfair and unreasonable burden on my family and my neighbors. The current rate structure effectively passes the entire \$16M cost of new system-wide fire-flow improvements to families like me and my neighbors over a very short period of time. The surcharges contained in the existing rate structure are designated to pay for the system-wide improvements. These surcharges have caused my water bills to triple, quadruple or even more in the summer.

The current rate design neither benefits the regulated company (Arizona American Water) nor bears any relationship between the beneficiaries of the improvements and those burdened to pay. The un-predictable timing and amount of the surcharges along with their classification as "contributions in aid of construction" (CAIC) places a burden on the utility's resources while financing in the rate base would be more equitable.

The system improvements have a useful life exceeding 30 years and should be financed over that term – not 3 or 4 years. By adopting a longer term, the impact on families and seniors will be lessened.

Additionally, since all people in the service area benefit from the improvements, the new rate structure should provide as broad a means as possible for spreading the costs between residential and commercial land uses. The commercial users can pass the cost along to their customers, while we cannot.

If the existing rate design remains, my options are to face a costly renovation of the existing landscaping which is unreasonable to expect during this major economic downturn or to try and sell my house and move out of the Town to a location where I can provide for my family's needs. These excessive water rates have already impacted the marketability of the home. I prefer neither option. However, the economic damage to our property from the current rate design is clear.

Please vote to approve a more just and reasonable rate design that extends the term of repayments and spreads the burden in a more equitable manner.

Respectfully,

Chuck and Sally Matthews
(480) 483-2291

Cc: Town of Paradise Valley Council Members